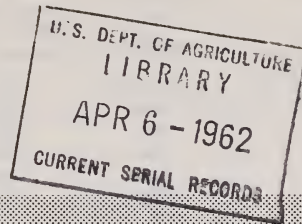


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MARCH 1962
FOR RELEASE
March 29, A. M.

DPS-87

THE DEMAND AND PRICE SITUATION

COMMODITY HIGHLIGHTS

GENERAL AGRICULTURAL SITUATION

FACTORS AFFECTING DEMAND FOR FARM PRODUCTS

FOREIGN DEVELOPMENTS

CURRENT COMMODITY SITUATION

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**ECONOMIC RESEARCH
SERVICE**

**U.S. DEPARTMENT OF
AGRICULTURE**

ECONOMIC FACTORS AFFECTING AGRICULTURE

Item	Unit or base period	1961			1962		
		Year	Feb.	Nov.	Dec.	Jan.	Feb.
Industrial production, seasonally adj. <u>1/</u>	: 1957=100	: 109	102	114	115	114	115
Final products	: do.	: 112	107	117	118	116	117
Consumer goods	: do.	: 116	110	121	122	121	122
Autos	: do.	: 98	73	117	127	114	109
Equipment, including defense	: do.	: 104	100	109	110	107	109
Materials	: do.	: 106	98	111	112	111	113
Construction: <u>2/</u> <u>3/</u>	:	:	:	:	:	:	:
Total outlays	: Mil. dol.	: 57,418	55,717	61,037	58,910	59,580	58,708
Public construction	: Mil. dol.	: 17,050	17,755	18,993	17,029	18,267	18,310
Private residential	: Mil. dol.	: 22,494	20,016	24,504	24,440	23,382	22,525
Housing starts, private only	: Thousands	: 1,304	1,169	1,351	1,297	1,259	1,126
Manufacturers' sales and inventories: <u>2/</u>	:	:	:	:	:	:	:
Total sales, seasonally adjusted	: Mil. dol.	: 30,770	29,030	32,180	32,400	31,830	
Durable goods	: Mil. dol.	: 14,560	13,320	15,620	15,660	15,450	
Unfilled orders-sales ratio <u>4/</u>	:	: 3.10	3.21	2.86	2.88	2.99	
Inventory-sales ratio, total <u>5/</u>	:	: 1.80	1.85	1.71	1.70	1.75	
Durable goods	:	: 2.17	2.30	2.02	2.01	2.06	
Employment and wages: <u>6/</u>	:	:	:	:	:	:	:
Total civilian employment	: Millions	: 66.8	64.7	67.3	66.5	65.1	65.8
Nonagricultural	: do.	: 61.3	59.9	62.1	62.0	60.6	61.2
Unemployment	: do.	: 4.8	5.7	4.0	4.1	4.7	4.5
Workweek in manufacturing	: Hours	: 39.8	39.0	40.6	40.6	39.7	40.0
Hourly earnings in manufacturing	: Dollars	: 2.32	2.29	2.36	2.38	2.39	2.38
Income and spending:	:	:	:	:	:	:	:
Personal income <u>2/</u> <u>3/</u>	: Bil. dol.	: 416.7	403.1	429.3	431.8	430.1	432.8
Consumer credit outstanding <u>1/</u>	: Mil. dol.	: 56,850	53,843	55,451	57,139	56,278	
Automobile	: Mil. dol.	: 16,950	17,017	16,960	16,960	16,878	
Total retail sales, seasonally adj. <u>2/</u>	: Mil. dol.	: 18,241	17,795	19,107	18,836	18,878	18,944
Durable goods	: Mil. dol.	: 5,626	5,348	6,199	5,924	5,928	5,875
Inventory-sales ratio <u>5/</u>	:	: 1.47	1.49	1.40	1.43	1.43	
Prices: <u>6/</u>	:	:	:	:	:	:	:
Wholesale prices, all commodities	: 1957-59=100	: 100	101	100	100	101	101
Commodities other than farm and food	: do.	: 101	101	101	101	101	101
Farm products	: do.	: 96	98	96	96	98	98
Foods processed	: do.	: 101	102	100	101	102	102
Consumer price index, all items	: do.	: 104	104	105	104	104	
Food	: do.	: 103	103	102	102	103	
Prices received by farmers <u>7/</u>	: 1910-14=100	: 240	244	238	240	242	243
Crops	: do.	: 226	221	223	224	224	227
Livestock and products	: do.	: 251	263	250	255	256	257
Prices paid, interest, taxes and wage rates <u>7/</u>	: 1910-14=100	: 301	302	301	302	304	305
Family living items	: do.	: 291	292	291	292	293	294
Production items	: do.	: 266	267	265	267	268	268
Parity ratio <u>7/</u>	:	: 80	81	79	79	80	80
Farm income and marketings: <u>7/</u>	:	:	:	:	:	:	:
Volume of farm marketings	: 1947-49=100	: 134	102	176	145	144	102
Cash receipts from farm marketings	: Mil. dol.	: 34,755	2,250	3,783	3,192	3,105	2,200

Annual data for most of the items for years 1929, 1941 and 1947-60 appears on page 41 of the April 1961 issue of The Demand and Price Situation.

1/ Federal Reserve Board. 2/ U. S. Department of Commerce. 3/ Seasonally adjusted annual rates.

4/ Unfilled orders for durables divided by monthly deliveries. 5/ Inventories, book value, end of month, divided by sales. 6/ U. S. Department of Labor. 7/ U. S. Department of Agriculture.

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T H E D E M A N D A N D P R I C E S I T U A T I O N
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Approved by the Outlook and Situation Board, March 22, 1962

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SUMMARY

During January-February, cash receipts from the marketings of farm products totaled about the same as a year earlier, with both prices and marketings about unchanged. Crop prices were up about 3 percent from 1961 levels but livestock product prices declined about 2 percent. Marketing movements were reversed, with marketings of livestock products up more than 2 percent and crop marketings down about 3 percent.

Prospective plantings for 1962 indicate the smallest planted acreage of record. As of March 1, the Nation's farmers indicated plans to reduce crop acreage planted for 1962 harvest by 4.4 million acres, a decrease of 1.4 percent from 1961. Feed and food grain acreage is pointed down, and cotton and potato planting intentions also are below last year. Acreage increases are indicated for oilseed crops, tobacco, sugar beets, hay and sweetpotatoes.

For the economy overall, economic activity advanced during February and early March after the temporary halt the previous month. Industrial production rebounded to the December record, employment rose sharply, and the unemployment rate dropped. As a result, personal income rose to a new peak and retail sales in February held at the December-January level. Somewhat offsetting were declines in construction activity and new orders received by durable goods manufacturers.

Business firms reported plans to step-up capital expenditures in 1962 by 8 percent from the 1961 level. In addition, manufacturers reported they expect sales and inventories to continue to rise through the first half of this year. The expectations reported in these surveys point to a continuing expansion in business activity in coming months.

COMMODITY HIGHLIGHTS

By mid-February, Choice cattle prices at most markets were higher than a year earlier. Although cattle slaughter in February exceeded the 1961 rate, prices edged upward during the month. Last year cattle prices declined from a January price peak to the beginning of summer.

Hog prices at major mid-West markets during February averaged \$16.69, about \$1.50 per hundred pounds below the same month in 1961. Hog slaughter is substantially larger than a year earlier.

Lamb prices have improved steadily since last fall, reflecting a better demand-supply situation. Choice lamb prices at Chicago during February averaged somewhat above the early 1961 price level.

Wholesale prices of milk in February were the same as a year earlier. Manufacturing milk prices were higher due to a raised support level, but lower prices for milk for fluid markets were offsetting.

Egg prices received by farmers averaged 36.2 cents in mid-February, a little more than 3 cents per dozen lower than a year earlier. Since mid-February, prices for large eggs at major markets have declined about 3 cents per dozen. Last year, egg prices to producers declined 2.7 cents between mid-February and mid-March. A dried egg buying program to help remove excess supplies from market channels was announced March 2.

Broiler production and prices in the first quarter probably was close to year-earlier levels. Recent hatchery activity points to marketings in the second quarter almost up to a year-ago--a volume which depressed prices sharply.

World wool prices have advanced slowly since late January due to a tightening of supplies.

Farmers indicated intentions as of March 1 to plant 14 percent less spring wheat than in 1961, in part reflecting acreage reductions under the 1962 Wheat Program. Acreage planted to corn is expected to be up about 3 percent from 1961, although producers' final decisions on participation in the 1962 Feed Program could alter these intentions.

Early season indicators point to a record supply of food fats and oils in the 1962-63 marketing year beginning October 1. Stocks are expected to be at a new high and increased output for most items is likely. As of March 1, farmers intended to increase acreage planted to the four oilseed crops by 1 percent, with intended soybean acreage record high.

Growers intentions indicate a sizable cut in acreage planted to late spring potatoes. If yields are near the average for recent years, prices to growers are likely to average higher than those of a year earlier.

Registrations under the export payment-in-kind program for cotton totaled 3.7 million bales through March 9 compared to 5.9 million during the same period last season. Although registrations during the remainder of the season are expected to exceed a year-ago, exports in 1961-62 are expected to be down considerably from the 6.6 million bales in 1960-61. Farmers' intentions as of March 1 indicated a decrease of about 1 percent in planted acreage from the 1961 total.

Acreage allotments for 1962 flue-cured tobacco were increased 4.3 percent and the overall level of price support was raised 1 percent. For all types of tobacco combined, growers reported intentions to plant about 4 percent more acreage this year than last.

GENERAL AGRICULTURAL
SITUATION

Cash receipts from the marketing of farm products during January-February of this year totaled about the same as during the corresponding period a year ago. Both prices received by farmers and the volume of marketings averaged the same as for the first two months of 1961.

Livestock product receipts equaled the year-ago total as a 2 percent decline in prices was offset by a rise in marketings. Prices received by farmers for hogs, lambs, milk, broilers, eggs, and turkeys during January and February averaged lower than for the same months of 1961; cattle prices averaged the same. Marketings of livestock products exceeded year-ago levels.

Receipts from crop marketings were close to the total for January-February last year. Prices averaged nearly 3 percent higher than a year earlier, but marketings were down about the same amount. Wheat, cotton, and commercial vegetable prices were major items showing price gains from year-ago levels. Market prices of corn, soybeans, potatoes, and fresh fruits averaged below year-ago levels.

Prospective Plantings for 1962

A smaller acreage planted to crops is now indicated for 1962. According to farmers' intentions, as of March 1, 306 million acres may be planted for 1962 harvest, 1.4 percent less than last year and the smallest since 1929, when records began.

If planting intentions are carried out, feed grain acreage would be fractionally smaller than last year. Declines in intended plantings of oats and barley would offset a 3 percent rise in corn plantings and a 2 percent increase in sorghum acreage. Total food grain acreage is indicated to be 9 percent below the 1961 total, with spring wheat acreage down 14 percent. The final acreage totals for feed and food grains may be altered by producers' decisions to participate in the 1962 Feed Grain and Wheat Programs. Growers' planting intentions were reported during the sign-up period for these programs.

The intentions report also pointed toward increased acreage planted to oilseeds, hay, tobacco, sugar beets, dry beans, and sweetpotatoes. The intended expansion in soybean acreage, 2 percent above last year's high, would result in a new record acreage total. Acreage planted to potatoes and dry peas is expected to be less than in 1961.

Income Per Farm Rises

A 15 percent increase in farmers' total net income from 1959 to 1961, coupled with a reduction of 7 percent in the number of farms in the United States during the period, raised the total net income of farm operators per farm almost a fourth. The gain reflected an increase in gross farm income due to a rise in cash receipts from marketings and Government payments which were only partly offset by higher production expenses. Between 1955 and

Table 1.--Average farm income, per farm, 1959-61 1/

Item	1959	1960	1961
	<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>
Realized gross farm income	9,156	9,640	10,379
Farm production expenses	6,416	6,677	7,056
Realized net income of farm operators	2,740	2,963	3,323
Net change in farm inventories	22	65	78
Total net income of farm operators	2,762	3,028	3,401

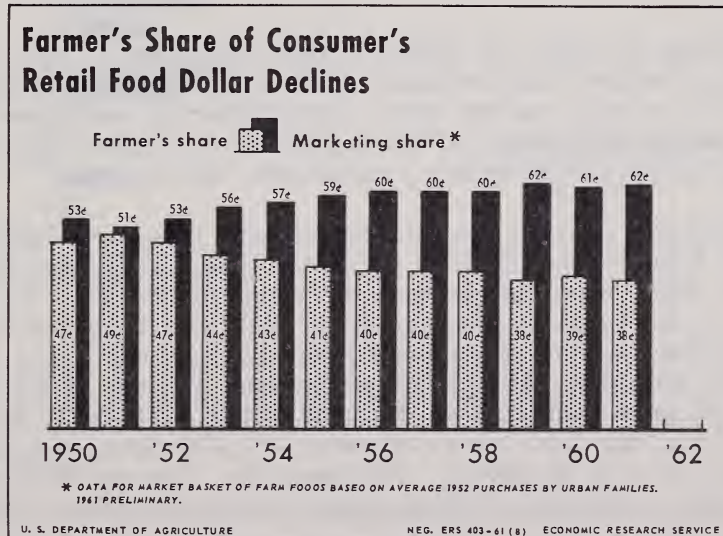
1/ Based on revised numbers of farms, consistent with the definition of a farm used in the 1959 Census of Agriculture.

1962, the number of farms in the United States dropped from 4,798 thousand to 3,688 thousand, representing mainly a consolidation of farms into larger units. In addition, the growth in suburban housing and commercial forestry, and the expansion in highways have made inroads into the number of farms. Yet the land in farms in 1961 was only 1 percent less than in 1959 and only about 3 percent less than in 1950.

Farmer's Share Down

Although consumer expenditures for food were about 2 percent more in 1961 than in 1960, the farmer's share of the consumer's retail food dollar declined somewhat. Farmers received an average of 38 cents for each dollar spent for farm foods in retail stores last year compared with 39 cents in 1960.

Marketing charges averaged 1 percent higher in 1961 than in the previous year, about matching the rise from 1959 to 1960. Marketing firms' costs probably were up a little. Since 1950, charges for marketing farm food products have risen steadily, and will probably go up again this year. The probable increase in marketing charges may drop the farmer's share to 37 cents. During the last decade, the farmer's share of the retail food dollar has declined about 10 cents.



FACTORS AFFECTING DEMAND
FOR FARM PRODUCTS

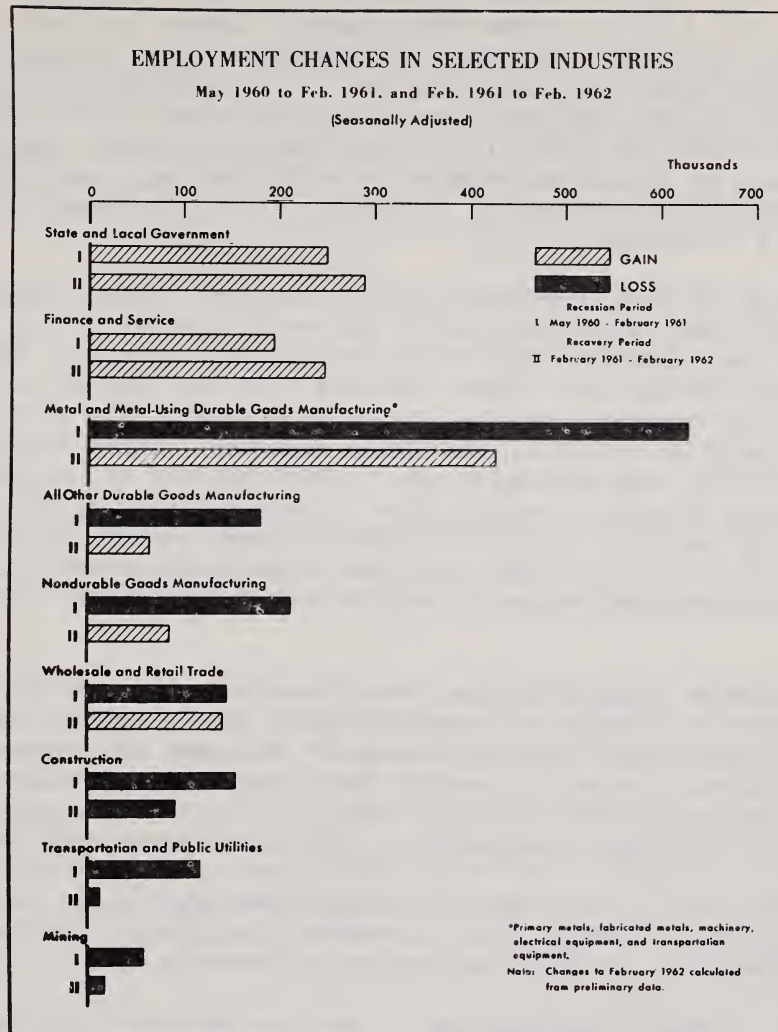
Major indicators of economic activity advanced during February, dispelling some of the uncertainty introduced into the short-run economic outlook in January when the favorable business trend faltered. Industrial production regained the ground lost in January, boosting employment sharply and cutting the rate of unemployment. As a result, the flow of personal income payments exceeded the peak reached in December. However, new orders receipts of durable goods manufacturers declined from January to February, the first monthly decline since the upturn a year earlier and construction activity declined. The longer-term outlook for economic activity was sharpened by business plans for spending a record amount on new plant and equipment this year. In addition, manufacturers expect their sales and factory inventories to keep rising through June, but at a slackening rate.

During January, industrial production, after allowance for seasonal factors, dropped one point below the record December level as auto assemblies declined 10 percent from the near-record December rate. Auto output declined further in February, but the continued upward movement in steel and iron production was more than offsetting, so that industrial production during February reached the December level, 15 percent greater than the 1957 average.

Reflecting the gain in output, total employment rose sharply over the month, showing better than seasonal gains following the unusually bad weather of the January survey week. Manufacturing employment rose contra-seasonally during February, reflecting mainly increases in steel, electrical equipment, fabricated metals, machinery, and rubber.

The February nonfarm payroll employment level was higher by 1.2 million workers than at the 1960-61 recession low a year ago, and back to the level of May 1960, when the general downturn commenced. The recovery in employment to the level of the spring of 1960 has been concentrated in the service-producing sector where employment rose by more than a million jobs, half in State and local Government employment and the remainder in the service and finance industries. Manufacturing employment in February is still shy of its May 1960 level by about 450,000 jobs, even after regaining about 600,000 jobs to February. Construction, transportation, and mining employment have continued to drop, even during the current recovery phase.

The brightened employment situation was mirrored by a dip in the seasonally adjusted rate of unemployment to 5.6 percent from 5.8 percent in January and 6.9 percent a year ago. This was the lowest rate since July 1960. Virtually all of the improvement in unemployment over the month



occurred among those jobless less than 15 weeks, partly reflecting better weather in the February survey week. Long-term unemployment (15 weeks and over) showed the usual seasonal increase, but was about 7 percent less than the year earlier.

As a result of the output and employment situation, personal income payments in February made up the January decline and exceeded the peak reached in December. The rise from January to February of \$2-3/4 billion (seasonally adjusted annual rate) centered almost entirely in wage and salary disbursements. Other income components showed only small changes.

Nearly \$1 $\frac{1}{2}$ billion of the total payroll advance occurred in manufacturing, as the work week lengthened and employment rose somewhat. The largest advances within manufacturing were in the durable goods industries. Income payments in the nonautomotive transportation equipment, metal-working, and machinery-producing groups rose significantly. Somewhat smaller increases were registered by industries related to building. Wage and salary disbursements in distributive and service industries and in Government also rose from January to February.

Although incomes increased sharply during the month, retail sales during February were about the same as the month earlier but up almost 2 percent from the relatively high level reached last October. Personal income increased sharply last summer and fall from the 1960-61 recession low in February, but consumer spending during this period held at a monthly plateau of around \$18 billion, seasonally adjusted. Sales spurted to \$18.6 billion in October, and then to a record \$19.1 billion in November. After some slippage in December, retail sales in February were close to \$19 billion. Although sales in January-February averaged around 6 percent more than in the same period of 1961, the gain in personal income over that span was about the same, indicating a continuation of a cautious consumer buying attitude.

As somewhat of an offset to these favorable short-run factors, new orders receipts of durable goods manufacturers were 3 percent lower in February than in January, after allowing for seasonal influences. This was the first decline in this series since the upturn a year earlier and largely reflects a slowdown in the inflow of orders for steel. In earlier months new orders for steel were substantial, with inventories being built-up as a hedge against a possible steel strike this summer. The reduction in new orders may represent a tapering in hedging-demand due to the desired stock level having been achieved, or to a lessened likelihood of an interruption in steel production, or to a combination of these factors.

An additional offsetting factor was the continuation through February of a decline in private housing starts. The seasonally adjusted rate of private starts (nonfarm housing) trended upward from a low in December 1960 to a peak in October, and subsequently declined to a level in mid-February about equal to a year earlier.

As the economic recovery has progressed, business firms have stepped up spending for new plant and equipment, and expenditures are planned to continue to rise throughout 1962. According to the January-February Commerce-SEC survey, business firms plan to spend a record \$37.2 billion for new plant and equipment this year, 8 percent more than in 1961. The anticipated outlays of \$36.1 billion (seasonally adjusted annual rate) in the current first quarter are 6.6 percent more than for the same period a year ago, the trough of the 1960-61 recession. The expected rate of rise during 1962, however, would be less than the rate of increase in capital expenditures during the same period in each of the three previous postwar business expansions.

Table 2.--Plant and equipment expenditures, selected periods, 1949-62

Business cycle : trough : (Reference : quarter) :	Expenditures : in trough : quarter <u>1</u> / :	Increase from trough	
		Four quarters :	Seven quarters :
	<u>Billion dollars</u>	<u>Percent</u>	<u>Percent</u>
Fourth - 1949 :	17.81	30.8	48.7
Third - 1954 :	26.84	10.5	28.5
Second - 1958 :	30.32	7.2	15.9
First - 1961 :	33.85	<u>2</u> /6.6	<u>2</u> /12.2

1/ Seasonally adjusted annual rates.

2/ Derived from anticipated rates.

Department of Commerce and Securities Exchange Commission.

Much of the expected increase in capital outlays will come from the manufacturing sector, particularly the auto and steel industries. The railroads plan one of the sharpest rises in investment--19 percent more than in 1961. All other major categories of business expect to maintain or increase expenditures for new plant and equipment except the electrical machinery producers and transportation group, excluding railroads.

Whether these expectations are realized depends to a large extent on how closely the actual course of business activity in coming periods corresponds with the expected level of business activity upon which expenditure plans were made. For the first half of 1962, manufacturers expect a further rise from fourth quarter 1961 levels of sales and inventories, according to the latest anticipations survey conducted by the Commerce Department in February.

The expected increase in sales is about 1 percent per quarter compared with a quarterly rate of gain of $2\frac{1}{2}$ percent in the latter half of 1961. The main push to sales is expected to be in durable goods, with producers expecting a 3 percent rise in deliveries from the fourth quarter of 1961 to the current quarter and an additional 1 percent rise in the spring quarter. Only fractional rises are expected in nondurable goods sales by manufacturers during the first half of 1962.

The projected inventory accumulation during the first half of this year amounts to \$2 billion after allowance for seasonal factors. The addition to manufacturer's stocks in the final six months of 1961 amounted to about \$1.8 billion. For the current year, a larger rate of accumulation is expected in the first quarter than in the second quarter.

CURRENT COMMODITY SITUATION

LIVESTOCK AND LIVESTOCK PRODUCTS

Meat Animals

January commercial slaughter and meat production exceeded last January by about 7 percent. However, about 5 percent of this increase is due to an additional slaughter day included in January this year. Therefore, the increase in weekly meat production was about 2 percent.

The weekly rate of cattle slaughter in federally inspected plants decreased from early January through February but still held about 3.5 percent above year-earlier levels. In response to the decrease in the rate of cattle slaughter, the price of Choice steers strengthened about 75 cents per hundredweight during February in contrast to 1961 when both prices and slaughter decreased through March. By mid-February, Choice cattle were above year-earlier prices at most markets.

Cattle slaughter and beef production rose sharply last April because of heavy marketings of non-fed cattle as well as large marketings out of feedlots. In the second quarter of 1961 fed cattle marketings set a new record as marketings were delayed from the first quarter and a record number of short-fed cattle were marketed. This year it appears that marketing out of feedlots during the first quarter has been proceeding in line with the January 1 report of marketing intentions. Thus a recurrence of a second quarter build-up in slaughter is not expected this year.

April and May slaughter will generally be comprised of pigs coming from August and September farrowings of the 1961 fall pig crop. These two months represent the peak of the fall farrowing period. However, last year, the number of pigs farrowed during these two months was about the same as for the preceding year. The net result of all these factors appears to be a situation in which we likely will not get the dip in slaughter that occurred in late March and April last year. Furthermore, the apparent over-run of some of the 1961 spring pigs into the beginning of the marketing period of the fall pig crop poses the likelihood of supplies of slaughter barrows and gilts during April and May near late January-March levels. Prices also are expected to hold steady from mid-March levels and then start a seasonal rise in late May. During this period they will be somewhat below year-earlier prices.

Outlook for hog prices this summer and fall has improved since last December. USDA's March pig crop report shows the 1962 spring pig crop to be up less than producers intentions indicated last December.

The average weekly rate of sheep and lamb slaughter in federally inspected plants during January and February exceeded year-earlier slaughter by about 3.5 percent. This has run contrary to earlier expectations based on the inventory of lambs on feed and the extent of the reduction in the January 1 stock-sheep inventory from last year. Apparently the liquidation of sheep numbers that characterized the sheep and lamb industry during 1961 is continuing into the early part of this year. As long as sheep producers continue to liquidate lambs from the stock-sheep inventory, prices will be held under pressure.

Lamb slaughter during the second quarter of this year is expected to be considerably below last year when liquidation of lambs from the stock-sheep inventory resulted in an abnormally high rate of slaughter. Although the early lamb crop is about the same size as last year, the March 1 inventory of lambs on feed is down 11 percent from a year ago. Furthermore, the larger lamb slaughter during the first quarter of this year than a year ago, along with the 9 percent reduction in number of lambs in the January 1 stock-sheep inventory, would indicate that the liquidation of lambs from the stock-sheep inventory probably will not be as burdensome a factor in April as last year. Choice slaughter lamb prices at Chicago gained about \$1.00 per hundredweight from late January to early March and have exceeded year-earlier prices since mid-February. Some additional price improvement is expected in April with spring lambs selling at a premium compared with last year.

Dairy Products

Farm prices of all wholesale milk in February were the same as a year earlier, \$4.31 per hundred pounds. The February price of manufacturing grade milk was \$3.46. This is 16 cents above last February's price. However, lower prices than last year for milk for the fluid markets offset the higher price of manufacturing milk. Prices for milk of manufacturing grade are expected to remain at or close to support levels. Since the basic price of milk eligible for fluid use will depend to a large extent on the price for milk of manufacturing grade or manufactured milk products, the price of all wholesale milk will reflect price support levels for the April 1 marketing year.

Milk production in the first 2 months of 1962 was running at an annual rate of about 128 billion pounds. Continuation of this rate depends largely on continuation of favorable milk-feed and milk-beef cattle price ratios, which in January and February were at the same levels as a year earlier.

Large quantities of milk are being channeled into the price-supported commodities, butter, cheese, and nonfat dry milk. In January and February, CCC purchases of these products were well above those of a year earlier: Butter purchases were 123 percent higher; nonfat dry milk 38 percent higher; and cheese purchases were 27 million pounds compared with none last January and February.

It is estimated that USDA expenditures for the price-support program will approximate \$540 million in the marketing year ending March 31, 1962, sharply above the \$275 million of the previous marketing year. Expenditures in the 1962-63 marketing year will depend on consumption in 1962 and on production, which will be affected by the price-support levels for the 1962-63 marketing year.

As of March 12, cheese assemblers were buying cheese to be stored for curing, at about $3\frac{1}{2}$ cents below the support purchase price, with a provision that an adjustment in price will be made in accordance with the new support level. Wholesale butter prices, already at the support levels, were showing little change. However, butter wholesalers were minimizing their storage stocks. Prices for nonfat dry milk also weakened in mid-March.

Retail prices of butter and cheese in January and February were slightly lower than a year earlier. For the rest of the year, their prices will reflect the new support price levels. Retail prices of fluid milk were only fractionally above a year earlier and have held steady since December.

Poultry and Eggs

Higher egg production and a somewhat weaker storage demand in the second quarter are likely to keep egg prices significantly below those of the second quarter of 1961.

Egg prices received by U. S. producers between mid-January and mid-February repeated last year's contraseasonal increase of 0.8 cent per dozen. Bad weather, which interfered with marketing, caused the irregular movement this year. The mid-February price at 36.2 cents per dozen was 3.2 cents lower than a year earlier. Since mid-February, egg prices have drifted lower in major markets; large eggs through mid-March were mostly 3 cents lower than in mid-February.

On March 2, the Department of Agriculture announced that it would buy dried egg solids to help remove excess supplies from the market. Last year, in a similar program the Department contracted for the equivalent of 3 percent of the eggs produced between February 1 and July 12.

On March 1, the nation's laying flock was larger but somewhat less productive than a year ago. This resulted in a 1 percent increase in the total rate of egg production. Output per layer on March 1 was sharply above the depressed February 1 rate but still 1 percent lower than a year earlier. Unusually bad weather over much of the country and particularly in the West North Central Region continued to adversely affect the rate of lay. This year's flock, however, may lay at a slightly higher rate than last year's over the next several months because it will have a larger proportion of pullets and because of the upward trend in technology.

The hatch of egg-type chicks dropped 13 percent in the first two months from the same period of 1961; eggs in incubators on March 1 were 8 percent below a year earlier. These sharp decreases are not expected to continue through the main hatching season and the total number of chickens raised for flock replacements may not be much under last year's 346 million birds.

Turkey consumption is likely to exceed production by a wider margin in the first half of 1962, than in the same period last year. In the first quarter lower prices have encouraged a much greater use of turkey; in the second quarter a substantial reduction is expected in marketings from a year ago. As a result cold storage holdings on July 1, when inventories are at or near the seasonal low, will be much closer to a year-earlier than stocks were at the beginning of March, but may still exceed the 1961 level.

Current indications point to a reduction from last year in the number of turkeys to be raised in 1962. In early January, farmers indicated plans to raise 12 percent fewer turkeys than in 1961, and the number of turkey breeder hens on farms was down by a like percentage. If output is reduced by 12 percent in the main marketing season, growers probably will receive somewhat higher prices than the extremely low 18.2 cents per pound average that prevailed in September-December 1961. The improvement in prices would be greater, if it were not for the somewhat larger stocks of frozen turkeys expected to be on hand September 1, 1962.

On February 27, the U. S. Department of Agriculture, published in the Federal Register a recommended decision on a proposed marketing order for turkeys. The proposed order, would apply to meat birds only and would be national in scope, covering the 48 contiguous States and the District of Columbia. If submitted to a referendum and approved by producers, it would provide for the creation of a Board and Committee to apply supply management measures when justified under criteria established in the Agricultural Marketing Agreements Act of 1937.

Broiler production and prices in the first quarter are running fairly close to year earlier levels. The U. S. average price received by growers in January and February averaged 16.3 cents per pound, compared with 17.0 cents in the same months of 1961. And Federally inspected slaughter, live weight basis, through March 7 was up only 2 percent.

Broiler prospects in the second quarter do not appear favorable for producers; a pattern similar to the one that occurred in 1961 seems to be developing. Last year broiler production, beginning in March, began to greatly exceed 1960 output. This triggered off a precipitous price decline which drove down broiler prices in June to below the 13 cent level, where they remained for 6 consecutive months.

Recent hatchery activity suggests that broiler marketings in April-June this year may be almost up to the 1961 volume. If this occurs, a significant drop in prices from mid-March appears likely over the next three months although prices are likely to be above a year earlier.

Wool

World supplies of raw wool--production plus stocks--are several million pounds less than a year earlier. Supplies in 1962 cannot be increased to the same extent as they were in 1961. Carryover stocks in the major producing countries and commercial stocks in the chief manufacturing countries are at or below normal levels, and production is only 1 percent higher. An expected overall small increase in the economic growth of the major consuming countries probably will strengthen the demand and increase world consumption of raw wool slightly in 1962. Although this would suggest a shortage of wool and a rise in price, there is little likelihood of this happening because of an increasing availability and use of manmade fibers in blends or pure form.

The firm market demand for wool since late January has resulted in a slowly advancing price movement. A further slight improvement in price can be expected into April before leveling off in late spring or early summer.

The U. S. wool textile industry has recovered from the short-term recession of 1960-61. Mill activity increased significantly during the second half of 1961. The outlook for the domestic wool industry in 1962 is for moderate increases over 1961 in domestic consumption and mill use of raw wool, in foreign trade in raw wool and wool products, and in average prices received for shorn wool. A reduction in U. S. shorn wool production is expected because of declining sheep numbers.

U. S. shorn and pulled wool production in 1961 amounted to 295 million pounds, 1 percent less than in 1960. Shorn wool production totaled 261 million pounds, grease basis; pulled wool 34 million pounds, actual weight. The clean equivalent of this output was 142.7 million pounds compared with 144.7 million pounds in 1960.

Domestic consumption of wool--mill consumption plus the raw wool content of the foreign trade import balance of wool products--in 1961 totaled 532.8 million pounds, slightly less than in 1960. Mill consumption of raw wool increased; imports and exports of textile products decreased. Apparel wool domestic consumption amounted to 358.1 million pounds in 1961, 4 percent higher than 1960. Mill use of apparel wool increased 8 percent in 1961. Imports and exports of wool apparel textile products both declined. Domestic consumption of carpet wool in 1961 totaled 174.8 million pounds, 9 percent less than in 1960. Mill use of carpet wool declined 10 percent in 1961. Imports of carpeting and rugs decreased; exports increased. The raw wool content of imports of wool textile products exceeded those of exports by 122.9 million pounds in 1961--about 5 million pounds less than the record high import balance of 1960.

The aggregate mill use of all fibers on the woolen and worsted systems decreased 2 percent. Wool's share of the total fiber used increased; that of all other fibers decreased. Wool's share increased in all segments of the industry except in the spinning of carpet and rug yarns where manmade

fiber's portion increased. The worsted system's share of apparel wool mill consumption increased significantly in 1961 to 57.5 percent, the highest since 1953. Reflecting this increased use on the worsted system and an upgrading of the quality of wool products, a substantially higher proportion of apparel wools grading 60's and finer was used.

Imports of raw wool during 1961 were above a year earlier, reflecting the increase in mill use during the second half of 1961 and the anticipated firm demand for wool in 1962. Imports of dutiable wool totaled 90.3 million pounds, clean content, 22 percent more than 1960; those of duty-free wool amounted to 157.4 million pounds, clean content, 2 percent above 1960.

Wheat

CROPS

March 1 intentions indicate seedings of all spring wheat at 10.5 million acres, down 14 percent from the acreage seeded in 1961 and 35 percent below the 1951-60 average. If growers carry out these intentions and yields per seeded acre this year are about equal to the 1957-61 average by States, a spring wheat crop of 195 million bushels would be produced, although participation in the 1962 Wheat Program could alter these estimates. Coupled with the winter wheat crop estimate of 944 million bushels, made last December, this would provide a total wheat crop in 1962 of 1,139 million bushels. A crop of this size would be about 100 million bushels smaller than the 1961 crop and about 200 million below the 1960 crop. Good fall growth, continued dormancy, and favorable snow cover kept winter wheat losses to a minimum. As of March 1, subsoil moisture supplies were considered adequate over most of the important Plains States, but topsoils were becoming dry from Western Kansas to Texas.

Cash wheat prices at terminals on March 22 continued generally above the effective support and in most cases near the high for the season to date. The price strength this year is due to the high level of exports and the smaller 1961 crop. Another reason is that more wheat is being held outside the support program in anticipation of even higher prices as a result of the 1962 program. The season average price received by farmers for 1961-crop wheat is estimated at \$1.84 per bushel, 14 cents above the effective support rate and 9 cents above the average price reported for the 1960 crop.

On March 22, the price of No. 2 Soft Red Winter at St. Louis, at \$2.12 was 5 cents above the effective support. No. 2 Hard Red Winter, ordinary protein, at Kansas City, at \$2.08, and No. 1 Soft White at Portland, at \$2.05, were 1 cent and 6 cents, respectively, above their effective supports. At Minneapolis, the price of No. 1 Dark Northern Spring, ordinary protein, at \$2.32, was 17 cents above and that of No. 2 Hard Amber Durum, at \$3.32, \$1.08 above the effective support. The high prices of hard red spring and durum reflect the short 1961 crops.

The estimated "free" supply of wheat appears to be adequate to take care of domestic requirements and exports for the remainder of the marketing year for most classes and in most locations. The supply of durum wheat is short but stocks of other wheats are ample and generally well distributed. On the basis of current estimates of disappearance, about 70 million bushels in the free supply next July is indicated. This would be substantially above the 43 million bushels last July 1 and that of recent years.

Feed Grains

Feed grain prices were comparatively stable during October-February, averaging 5 percent higher than in the same period of 1960-61. Feed grain prices rose only 2 percent from November to February this year compared with a 12 percent advance a year earlier. High-protein feed prices also rose only 2 percent in the same period compared with an 18 percent increase in 1960-61. Prices of feed grains and high-protein feeds in February were only slightly above a year earlier.

Prices received by farmers for corn averaged 96 cents per bushel in February, 2 cents higher than last November, but 4 cents lower than in February last year. Sales by CCC against certificates issued under the 1961 Feed Grain Program and late marketing of the 1961 crop have contributed to the flattening of corn prices this winter. The price of No. 3 corn at Chicago has remained within the narrow range of \$1.07 per bushel to \$1.12 per bushel. In the first half of March, the Chicago price averaged \$1.10 per bushel or about 4 cents per bushel lower than in the same period of 1961. Corn prices normally rise seasonally until July or August then decline as the new crop is harvested in the fall. This spring and summer, corn prices will continue to be influenced by the disposition of corn remaining to be sold against CCC certificates as well as by prospects for the 1962 crop. The disposition of free commercial stocks still on hand from earlier CCC sales also will influence corn prices.

Prices of sorghum grain, oats, and barley all have advanced somewhat more from 1960-61 levels than has corn. The average price received by farmers for sorghum grain in February was 13 percent higher than a year earlier, oat prices averaged 8 percent higher and barley prices 21 percent higher. Prices of oats and barley continue substantially higher than average in relation to corn.

Through March 16, CCC had sold 622 million bushels of corn, sorghum grains, and barley against certificates issued under the Feed Grain Program valued at \$617 million. Based on the average prices of grain sold so far this year, this would mean that CCC had about 166 million bushels of these grains to be sold against the certificates.

Through February, farmers had placed less feed grain under price support than in the same period of 1960-61. The 412 million bushels of corn placed under support was 63 million less than in the same period last year. Less grain sorghum and barley have been placed under the program than a year earlier, but slightly more oats. Farmers have through May to place their corn under the price support program. The period for placing the other feed grains under price support ended January 31.

Based on March 1 plantings prospects, farmers will plant a little larger acreage of corn and sorghums in 1962, but smaller acreages of oats and barley than in 1961. The total acreage of the four grains based on March 1 intentions would be close to 130 million acres practically the same as in 1961. The prospective corn acreage is 69.3 million acres, 2.3 million acres more than in 1961, but 8.5 million acres below the 1956-60 average. Sorghum producers plan to increase their 1962 plantings 2 percent over 1961, while reductions of 6 percent in oats and 4 percent in barley are in prospect.

Oilseeds, Fats and Oils

Supplies of food fats and oils through next September, maintained by the very heavy supply of soybeans and soybean oil, will be record large. Total disappearance for the year is expected to rise to a new high also, with record exports accounting for nearly all of the increase. But supplies are much greater than probable market outlets, and a sharp increase in carryover on October 1, 1962, is likely. Most of the increase will be in soybeans, though butter stocks are expected to be larger.

Prices of lard and cottonseed oil during April-September 1962 are likely to be a little higher than in the first half of the marketing year, averaging close to year-earlier levels. Soybean oil prices this spring and summer probably will continue fairly stable, averaging somewhat below the same period last year.

Record supplies of soybeans are available for the rest of the 1961-62 marketing year. In view of this, prices will be governed almost entirely by the loan rate and the CCC sales policy. Until May 31, the CCC take-over date for beans under loan, prices to farmers are expected to continue relatively steady, averaging close to the support price of \$2.30 per bushel and possibly advancing slightly to reflect storage costs. This would continue the slow rise from \$2.20 last October to \$2.32 in February. After May 31, the CCC minimum sales price of 16.5 cents per bushel over the \$2.30 loan rate probably will boost market prices a little until new crop beans become available in September.

Early season indicators point to a record supply of food fats and oils in the 1962-63 marketing year beginning next October 1. Starting stocks (including soybeans) will be at a new high and moderate increases in the output of butter and lard are in sight. Based on March 1 indications, total supplies of soybeans (including carryover) in 1962-63 are expected to be about 4 percent over the 700 million bushel mark of 1961-62,

with larger stocks more than offsetting slightly lower production. The strong demand for food fats generated during the current marketing year is expected to continue into the 1962-63 year.

Farmers' planting intentions report of March 19 gave the following indications as to 1962 acreages for oilseeds:

Soybean plantings to be a record 28.8 million acres, 2 percent more than in 1961. Increases over last year are indicated in all producing areas with the heavy producing North Central area showing the smallest percentage increase--less than one percent.

Land planted to flaxseed is estimated at 3.1 million acres, 4 percent more than planted in 1961. If growing conditions are average (they were below average last year) production would be about equal to probable domestic requirements.

Practically no change from last year's 1.5 million acres planted to peanuts. Peanuts are under controls and the acreage allotment for the 1962 crop is the same as a year ago. If growing conditions are average, there would be a moderate surplus of peanuts above domestic food and farm uses.

Fruit

Shipping-point prices for most varieties and styles of pack of apples during February and early March continued generally somewhat below corresponding prices in 1961. Market movement including heavy exports has been much larger during February than in this month of 1961. Cold-storage stocks on March 1 were moderately above a year earlier. Stocks of pears in cold storage on March 1 were much smaller than a year earlier. With the volume of sales down, auction prices for pears increased during February and March to reach levels considerably above those of early March 1961. In early March of this year, auction prices for California grapes, of which stocks were down, also averaged above a year earlier.

Movement of Florida strawberries during late February and early March was much larger than in the same period of 1961. Prices on the New York City wholesale market in early March fluctuated around the levels of a year earlier. Despite the setback from cold weather during late December and January, the Florida crop is expected to total about 58 percent larger than the 1961 crop. Production in the early spring States (Louisiana, Alabama, and Texas), is expected to be about 31 percent above 1961. Movement from these States, which was light to mid-March, is expected to be seasonally heavy during April.

Shipping-point prices for Florida oranges, already moderately below year-earlier levels, declined somewhat since mid-February, partly because of continuing large supplies. But prices for California oranges, of which sales have been down from a year earlier, continued to advance until early March, then also declined somewhat. In mid-March, remaining supplies of Florida oranges (mostly Valencias), were substantially larger than at the

same time in 1961. But remaining supplies of California oranges were a little lighter than a year earlier. Total production of oranges in the United States in 1961-62 is expected to be about 8 percent larger than in 1960-61. Most of the increase is in Florida.

Prices for Florida grapefruit at shipping-points have held fairly steady since mid-February. In mid-March, prices for pink seedless and seeded varieties averaged moderately above year-earlier levels, while those for white seedless averaged only a little above. Remaining supplies in Florida were moderately lighter than a year earlier. In Texas, winter cold ended the season rather abruptly by early February. Total U. S. production of grapefruit in 1961-62 is expected to be about 6 percent smaller than in 1960-61, because of partial loss of the Texas crop. Remaining supplies of California-Arizona lemons continue larger, prices lower, than a year ago.

Output of Florida frozen orange concentrate by March 10 of the 1961-62 season, made mostly from early and midseason oranges, was about 18 percent larger than comparable production in 1960-61. Weekly output will be seasonally light from early March to early April, then pick up as an increasing volume of mature fruit from the Valencia crop becomes available. Although early-season movement to the trade has been moderately heavier than a year ago, packers' stocks continue somewhat above year-earlier levels. The pack of Florida canned orange juice to March 10 also was moderately above a year earlier. Movement has been up and packers' stocks on March 10, 1962 were a little above a year earlier.

Commercial Vegetables

Fresh.--Early March reports indicate a winter vegetable production 13 percent smaller than a year ago, and moderately below the recent 10-year average. Supplies of most major vegetables have been materially smaller this winter than last, and prices have averaged substantially higher.

Production estimates are currently available for only a few vegetables for spring harvest. Indicated production of early spring asparagus, broccoli, cauliflower, lettuce, and onions is substantially smaller than a year ago. Also, acreage of both early spring cabbage and tomatoes is considerably smaller than last year. Among late spring crops, acreages of cabbage and onions are slightly to moderately larger than last year, but acreages of asparagus and watermelons are down slightly. Acreages of spring carrots and shallots are also down from a year ago.

Planting intentions indicate a 2 percent cut in acreage of early summer watermelons, but a slight increase in cabbage and onions and a moderate increase in late summer onions.

Processed.--Supplies of canned vegetables are moderately larger than a year earlier and materially larger than the recent 10-year average. Supplies of lima beans, snap beans, sweet corn, and sauerkraut are considerably above last year, and those of cucumber pickles also appear to be larger. Considerably more canned tomatoes are available this year, and

slightly to moderately more catsup and chili sauce, but slightly to moderately less tomato juice. Supplies of green peas are materially smaller than a year ago and holdings of pumpkin and squash slightly to moderately smaller. Overall supplies of frozen vegetables are record large for this time of year. Among major items, holdings of green peas are substantially above the low level of a year earlier but only moderate in relation to demand. Except for carrots and cauliflower, supplies of most other major items are larger than a year ago. Demand for processed items is expected to continue strong. Both f.o.b. and retail prices of most canned items, into mid-year, probably will average about the same to slightly higher than a year ago and those of frozen items about the same to slightly lower.

Indications point to a fourth less tonnage of winter spinach for processing this year than last. March 1 intentions reports point to 9 percent more acreage of tomatoes for processing than last year, but 1 percent less acreage of green peas. Indications are that 1 percent more acreage of peas will be planted for canning but 4 percent less for freezing.

Potatoes and Sweetpotatoes

Despite a smaller winter potato crop than last year and expectations of a smaller early spring crop, supplies of potatoes available for market into mid-spring may be larger than the heavy supplies of a year ago, owing to larger remaining stocks of fall potatoes. Stocks on March 1 amounted to almost 69 million hundredweight compared to 63 million hundredweight a year earlier. A diversion program is being operated by the Department of Agriculture to assist in disposing of these large supplies. Diversions to March 16 totaled 23.3 million hundredweight of 1961 late crop potatoes of which 16.0 million hundredweight qualified for supplementary payments as U.S. No. 2 or better quality. Heavy movement of 1961 fall potatoes to date (including the large quantities moving into diversions) have lightened the pressure on markets, and prices have strengthened in most areas in late March. Some further increase in prices seem likely into late spring.

Supplies of potatoes available for market in late spring will depend largely on production in the late spring area. Growers intentions indicate 16 percent less acreage of potatoes will be planted for late spring harvest this year than last. Yields near the average of recent years on the indicated acreage would result in a late spring crop considerably smaller than a year ago, and likely would result in prices to growers averaging substantially higher. Intentions reports also indicate moderately less acreage for summer and fall harvests.

Production and unloads data indicate remaining supplies of sweetpotatoes are near those of a year ago. Both f.o.b. and retail prices for the remaining supplies are expected to average about the same to moderately above those of last year. March intentions reports indicate growers plan to plant 205,000 acres of sweetpotatoes this year, 3 percent more than last year.

Dry Beans and Peas

Remaining supplies of both colored and white classes of dry beans are larger than those of a year ago. Domestic use of dry beans is expected to be slightly larger this year than last. However, foreign demand so far this season has been dull and commercial exports have been light. Exports of colored classes have been especially light because of the continued loss of the Cuban market and extremely light exports to Mexico, both important customers for colored beans. Overall prices to growers for the remainder of the season probably will average moderately below the levels of a year earlier, principally because of larger supplies and lower prices for pintos.

According to March intentions reports, growers expect to plant 1.5 million acres of dry beans this year. This is slightly more than a year ago, and about the same as the 10-year average. However, yields are not expected to reach the high levels of last year and production probably will be moderately smaller. Intended acreage is up slightly in the Northwest, up moderately in the Northeast and Southwest, and down moderately in California.

Supplies of dry field peas probably are a little smaller than a year ago but appear to be ample. Both domestic consumption and exports are expected to be near those of last season. Prices to growers for the season are expected to average near those of a year ago. Growers report intentions to plant about the same acreage to dry field peas as in 1961. Should yields be near the 1957-61 average, production on the intended acreage would be about a tenth larger than last year.

Cotton

Per capita mill consumption of cotton for calendar year 1961 was about 22.4 pounds, down about 3.4 percent from 1960, and the lowest, with the exception of 1958, since 1935. Mill consumption of cotton as a percent of total fiber consumption declined to a record low of 62.8 percent in 1961. Per capita domestic consumption of cotton was lower than mill consumption in 1961 as U. S. exports of cotton textiles exceeded imports. In 1960, imports of cotton textiles by the United States exceeded exports and domestic consumption of cotton was larger than mill consumption.

U. S. exports of cotton during the 1961-62 crop year are expected to be considerably lower than the 6.6 million bales of a year earlier. The decline in exports reflects primarily a reduction in cotton consumption and stocks in the foreign free world.

Registrations under the payment-in-kind program for cotton through March 16 totaled 3.8 million bales, 2.1 million bales less than for the same period last season. It seems likely, however, that registrations for export during the remainder of the current season will be at a higher level than a year ago. Registrations fell sharply last season after the announcement on February 21, 1961, of the increase in the export payment rate for the 1961-62 season. On February 15, 1962, an initial export payment rate of 8.5 cents per pound was announced for the 1962-63 season. This is the same rate as is in effect for the 1961-62 season.

The 1962 national allotment for upland cotton is 18.1 million acres compared with an acreage allotment of 18.5 million acres in 1961. Prospective plantings for the 1962 crop as of March 1 were indicated at about 16.4 million acres. This compares with a planted acreage of 16.6 million acres in 1961. The minimum average support price for the 1962 crop of upland cotton is 31.88 cents per pound, the same as for the 1961 crops. The minimum support price for 1962-crop Middling 1-inch cotton is 32.47 cents per pound gross weight at average location, compared with 33.04 cents per pound for the 1961 crop.

The 1961 crop is expected to total about 14.3 million running bales. This is about the same as the 1960 crop. The 1961 crop, however, was produced on a larger harvested acreage and at a lower yield per acre than the 1960 crop. The harvested acreage in 1961 was about 377,000 acres larger than in 1960, while the yield per harvested acre was down about 8 pounds.

CCC investment in price support loans and inventories as of March 2 were about 5.4 million bales compared with 4.0 million bales a year earlier. At the start of the current season, CCC-stocks were about 1.5 million bales.

The average 14 spot market price for Middling 1-inch cotton has increased slightly in recent months. The February average price was 33.66 cents per pound, up from 33.60 cents in January and 3.25 cents above February 1961. The average price received by farmers of 29.13 cents per pound in February was 2.11 cents per pound above February 1961.

Tobacco

On February 28, USDA announced a 4.3 percent increase in the acreage allotment for the 1962 flue-cured crop. The 1962 acreage allotment for flue-cured announced last December 12 had provided for the same allotment for most farms as in 1961. This is the first increase in flue-cured acreage allotments since 1951. The overall support level for 1962 flue-cured will be 56.1 cents per pound--1 percent above last year's. This increase reflects the change in the index of prices paid by farmers, including interest, taxes, and farm wage rates, when the recent three year average, 1959-61, of this index is compared with its 1959 level. This is the basis provided by law for adjusting the support level for the eligible kinds of tobacco from year to year.

According to the March 1 report on prospective acreage for 1962, the indicated acreage of flue-cured at 729,600 is 4 percent above that harvested last year and the biggest since 1956. The 1962 acreage indicated for burley is 337,200--up 6 percent from 1961 and the biggest since 1954. Acreage allotments for burley were increased 6 percent over 1961 and this follows a similar percentage increase last year over 1960.

The March 1 intended acreage for fire-cured was up 1 percent from that harvested last year, but no change was indicated in the acreage of dark air-and sun-cured tobacco.

Indicated 1962 acreage for Pennsylvania cigar filler tobacco was the same as harvested in 1961. A marketing quota was rejected by growers of this type in a recent referendum and thus acreage allotments are not in effect. However, they are in effect on the Ohio cigar filler types and the 1962 acreage allotments for most farms were reduced 15 percent below 1961. Ohio cigar filler acreage harvested in 1961 was considerably below total allotted acreage. According to the March 1 intentions report, Ohio filler acreage will be down 8 percent from last year.

There was also a 15 percent reduction in acreage allotments of the Connecticut Valley and Wisconsin cigar binder tobaccos. In the Connecticut Valley last year's acreage was far below the allotted acreage, and there was a sizable underplanting of the total allotment in Wisconsin. The March 1 intentions report indicated that acreage of the Connecticut Valley binder types will be about 11 percent less than in 1961; the prospective acreage of Broadleaf (type 51) is down 12 percent and of Havana Seed, (type 52) 10 percent. In Wisconsin, the Southern Wisconsin (type 54) acreage is indicated at 9 percent below last year's and Northern Wisconsin (type 55) acreage may drop 8 percent.

The March 1 intended acreage for shade grown cigar wrapper in the Connecticut Valley (type 61) is 3 percent above that harvested last year but in Georgia-Florida (type 62) the indication is for an 11 percent decline.

Marketing of 1961-crop tobacco except for the Maryland and Puerto Rican crops, has been completed. Auctions for 1961 Maryland tobacco are scheduled to open April 24 and run to July 13. Sales are also made on the Baltimore hogshead market. The 1961 Maryland crop price support is 50.8 cents per pound, the same as last season. The 1961 production is currently estimated at 36 million pounds--3.7 percent above 1960. Carryover stocks on January 1 at 60.6 million pounds were about 1 million below a year earlier and the lowest for that date in 10 years. The crop and carryover combined provide a total supply practically even with last year's.

The March 1 intentions report indicates the 1962 acreage of Maryland tobacco the same as harvested last year. For most farms 1962 acreage allotments are unchanged from 1961. The 1962 Maryland tobacco price support is 51.3 cents per pound--1 percent higher than for the 1961 crop.

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